

House File 590 - Introduced

HOUSE FILE 590
BY COMMITTEE ON ECONOMIC
GROWTH/REBUILD IOWA

(SUCCESSOR TO HSB 103)

A BILL FOR

1 An Act relating to the organization of the executive branch
2 agencies responsible for administering economic development
3 programs, making certain properly related changes, and
4 including effective date and transition provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 DIVISION I
2 IOWA PARTNERSHIP FOR ECONOMIC PROGRESS AND ECONOMIC DEVELOPMENT
3 AUTHORITY

4 Section 1. Section 15.101, Code 2011, is amended by striking
5 the section and inserting in lieu thereof the following:

6 **15.101 Findings and purpose — collaboration described.**

7 1. The general assembly finds that economic development
8 is an important public purpose and that both the public
9 and private sectors have a shared interest in fostering the
10 economic vitality of the state. Therefore, it is the purpose
11 of this subchapter to implement economic development policy in
12 the state by means of a collaboration between government and
13 the private sector.

14 2. The collaboration shall involve the partnership for
15 economic progress, the economic development authority, and
16 the economic development corporation, all of which shall work
17 together to further economic development policy according to
18 the provisions of this subchapter.

19 Sec. 2. Section 15.102, Code 2011, is amended by adding the
20 following new subsections:

21 NEW SUBSECTION. 01. "*Authority*" means the economic
22 development authority created in section 15.105.

23 NEW SUBSECTION. 1A. "*Chief executive officer*" means the
24 chief executive officer of the corporation.

25 NEW SUBSECTION. 2A. "*Corporation*" means the economic
26 development corporation created pursuant to section 15.107.

27 NEW SUBSECTION. 4A. "*Financial assistance*" means assistance
28 provided only from the funds, rights, and assets legally
29 available to the authority and includes but is not limited to
30 assistance in the form of grants, loans, forgivable loans, and
31 royalty payments.

32 NEW SUBSECTION. 5A. "*Partnership*" means the partnership for
33 economic progress created in section 15.103.

34 Sec. 3. Section 15.102, subsections 1 and 4, Code 2011, are
35 amended to read as follows:

1 1. "*Board*" means the ~~Iowa economic development board~~
2 members of the authority appointed by the governor and in whom
3 the powers of the authority are vested pursuant to section
4 15.105.

5 4. "*Director*" means the director of the ~~department~~
6 authority, appointed pursuant to section 15.106C, or the
7 director's designee.

8 Sec. 4. Section 15.102, subsection 3, Code 2011, is amended
9 by striking the subsection.

10 Sec. 5. Section 15.103, Code 2011, is amended by striking
11 the section and inserting in lieu thereof the following:

12 **15.103 Partnership for economic progress.**

13 1. The partnership for economic progress is hereby created.
14 The partnership shall serve as an advisory body within state
15 government and shall function on a continuing basis for the
16 study and recommendation of solutions and policy alternatives
17 for issues arising in the area of economic development. In
18 performing such advisory functions, the partnership shall focus
19 on job creation, increasing the income of Iowa families, and on
20 enlarging the gross state product.

21 2. The powers of the partnership are vested in and shall
22 be exercised by seven members to be appointed by the governor
23 subject to confirmation by the senate. To the extent possible,
24 the governor shall appoint to the membership of the partnership
25 persons who are actively employed in the private, for-profit
26 sector of the economy or who otherwise have substantial
27 expertise in economic development.

28 3. Members of the partnership shall be appointed for
29 staggered terms of two years beginning and ending as provided
30 in section 69.19. A person appointed to fill a vacancy shall
31 serve only for the unexpired portion of the term. A member
32 is eligible for reappointment. A member of the partnership
33 may be removed from office by the governor for misfeasance,
34 malfeasance, or willful neglect of duty or other just cause,
35 after notice and hearing, unless the notice and hearing is

1 expressly waived in writing.

2 4. Four members of the partnership constitute a quorum and
3 the affirmative vote of a majority of the appointed members
4 is necessary for any action taken by the partnership. The
5 majority shall not include any member who has a conflict of
6 interest and a statement by a member of a conflict of interest
7 shall be conclusive for this purpose. A vacancy in the
8 membership does not impair the right of a quorum to exercise
9 all rights and perform all duties of the partnership.

10 5. Members of the partnership shall receive a per diem as
11 described in section 7E.6 for each day spent in performance of
12 duties as members and shall be reimbursed for all actual and
13 necessary expenses incurred in the performance of duties as
14 members.

15 6. Members of the partnership shall give bond as required
16 for public officers in chapter 64.

17 7. The governor or, if the governor so designates, the
18 lieutenant governor shall serve as the chairperson of the
19 partnership. Members shall elect a vice chairperson and
20 secretary biannually, and other officers as they determine.

21 8. Meetings of the partnership shall be held at least
22 quarterly and may be held more frequently at the call of the
23 chairperson or when four or more members of the partnership so
24 request.

25 9. Except for the chairperson of the board of directors
26 of the corporation, members of the board of directors of the
27 corporation shall not serve as members of the partnership.

28 10. Members of the authority board may serve as members of
29 the partnership. However, the number of such members shall be
30 less than the number that constitutes a quorum of authority
31 board members.

32 Sec. 6. Section 15.104, Code 2011, is amended by striking
33 the section and inserting in lieu thereof the following:

34 **15.104 Duties and powers of the partnership.**

35 The partnership created in section 15.103 shall have the

1 following duties and powers:

2 1. To call and hold meetings for the purposes described in
3 section 15.103, subsection 1.

4 2. To create and maintain records of the partnership's
5 activities and recommendations.

6 3. To develop a strategic vision for economic development
7 in Iowa. The partnership shall submit this vision to the
8 authority and the general assembly by January 31 of each year
9 for their consideration.

10 Sec. 7. Section 15.105, Code 2011, is amended by striking
11 the section and inserting in lieu thereof the following:

12 **15.105 Economic development authority.**

13 1. The economic development authority is created, and
14 constituted a public instrumentality and agency of the state
15 exercising public and essential governmental functions, to
16 undertake programs which implement economic development policy
17 in the state, and to undertake certain finance programs.

18 a. The powers of the authority are vested in and shall be
19 exercised by a board of nine voting members appointed by the
20 governor subject to confirmation by the senate. The voting
21 members shall be comprised of the following:

22 (1) Two members from each United States congressional
23 district in the state. If the congressional districts to be
24 effective beginning January 2013 have not been established
25 in Iowa law, then the governor shall appoint eight members
26 representing the geographic diversity of the state.

27 (2) One member selected at large.

28 b. There shall be four ex officio, nonvoting legislative
29 members consisting of the following:

30 (1) Two state senators, one appointed by the president of
31 the senate after consultation with the majority leader of the
32 senate and one appointed by the minority leader of the senate
33 from their respective parties.

34 (2) Two state representatives, one appointed by the speaker
35 and one appointed by the minority leader of the house of

1 representatives from their respective parties.

2 *c.* To the extent possible, the governor shall appoint
3 persons who are actively employed in the private, for-profit
4 sector of the economy or who otherwise have substantial
5 expertise in economic development.

6 2. Members of the authority shall be appointed for staggered
7 terms of four years beginning and ending as provided in section
8 69.19. A person appointed to fill a vacancy shall serve only
9 for the unexpired portion of the term. A member is eligible
10 for reappointment. A member of the authority may be removed
11 from office by the governor for misfeasance, malfeasance, or
12 willful neglect of duty or other just cause, after notice and
13 hearing, unless the notice and hearing is expressly waived in
14 writing. Members of the authority board shall not serve as
15 directors of the corporation.

16 3. Six members of the authority constitute a quorum, and
17 the affirmative vote of a majority of the appointed members is
18 necessary for any action taken by the authority. The majority
19 shall not include any member who has a conflict of interest
20 and a statement by a member of a conflict of interest shall be
21 conclusive for this purpose. A vacancy in the membership does
22 not impair the right of a quorum to exercise all rights and
23 perform all duties of the authority.

24 4. Members of the authority are entitled to receive a
25 per diem as specified in section 7E.6 for each day spent in
26 performance of duties as members, and shall be reimbursed for
27 all actual and necessary expenses incurred in the performance
28 of duties as members.

29 5. Members of the authority and the director shall give bond
30 as required for public officers in chapter 64.

31 6. Meetings of the authority shall be held at the call of
32 the chairperson or when two members so request.

33 7. Members shall elect a chairperson and vice chairperson
34 annually, and other officers as they determine, but the
35 director shall serve as secretary to the authority.

1 8. The net earnings of the authority, beyond that necessary
2 for retirement of its notes, bonds, or other obligations, or to
3 implement the public purposes and programs herein authorized,
4 shall not inure to the benefit of any person other than the
5 state. Upon termination of the existence of the authority,
6 title to all property owned by the authority, including any
7 such net earnings of the authority, shall vest in the state.
8 The state reserves the right at any time to alter, amend,
9 repeal, or otherwise change the structure, organization,
10 programs, or activities of the authority, including the power
11 to terminate the authority, except that no law shall impair
12 the obligation of any contract or contracts entered into by
13 the authority to the extent that any such law would contravene
14 Article I, section 21, of the Constitution of the State of
15 Iowa, or Article I, section 10, of the Constitution of the
16 United States.

17 9. Members of the authority, or persons acting on behalf
18 of the authority while acting within the scope of their agency
19 or employment, are not subject to personal liability resulting
20 from carrying out the powers and duties in this chapter.

21 10. The authority shall be the successor entity to the
22 economic development board and the department of economic
23 development which are hereby eliminated. The authority
24 shall assume all duties and responsibilities previously
25 assigned to the economic development board and the department
26 of economic development to the extent that such duties and
27 responsibilities are not otherwise assigned by the provisions
28 of this subchapter.

29 Sec. 8. Section 15.106, Code 2011, is amended by striking
30 the section and inserting in lieu thereof the following:

31 **15.106 Conflicts of interest.**

32 1. a. If a member or employee of the authority other than
33 the director of the authority has an interest, either direct or
34 indirect, in a contract to which the authority is, or is to be,
35 a party, the interest shall be disclosed to the authority in

1 writing and shall be set forth in the minutes of the authority.

2 **b.** The member or employee having the interest shall not
3 participate in any action of the authority with respect to
4 that contract. A violation of a provision of this subsection
5 is misconduct in office under section 721.2. However, a
6 resolution of the authority is not invalid because of a vote
7 cast by a member in violation of this subsection or of section
8 15.105, subsection 3, unless the vote was decisive in the
9 passage of the resolution.

10 **c.** For the purposes of this subsection, "*action of the*
11 *authority with respect to that contract*" means only an action
12 directly affecting a separate contract, and does not include an
13 action which benefits the general public or which affects all
14 or a substantial portion of the contracts included in a program
15 of the authority.

16 2. The director shall not have an interest in a bank or
17 other financial institution in which the funds of the authority
18 are, or are to be, deposited or which is, or is to be, acting
19 as trustee or paying agent under a trust indenture to which
20 the authority is a party. The director shall not receive,
21 in addition to fixed salary or compensation, any money or
22 valuable thing, either directly or indirectly, or through any
23 substantial interest in any other corporation or business unit,
24 for negotiating, procuring, recommending, or aiding in any
25 purchase or sale of property, or loan, made by the authority,
26 nor shall the director be pecuniarily interested, either as
27 principal, coprincipal, agent, or beneficiary, either directly
28 or indirectly, or through any substantial interest in any other
29 corporation or business unit, in any such purchase, sale, or
30 loan.

31 Sec. 9. NEW SECTION. 15.106A **General powers of the**
32 **authority.**

33 1. The authority has any and all powers necessary and
34 convenient to carry out its purposes and duties and exercise
35 its specific powers, including but not limited to the power to:

- 1 *a.* Issue negotiable bonds and notes as provided in this
2 subchapter in order to finance its programs.
- 3 *b.* Sue and be sued in its own name.
- 4 *c.* Have and alter a corporate seal.
- 5 *d.* Make and alter bylaws for its management consistent with
6 the provisions of this chapter.
- 7 *e.* Make and execute agreements, contracts, and other
8 instruments of any and all types on such terms and conditions
9 as the authority may find necessary or convenient to the
10 purposes of the authority, with any public or private entity,
11 including but not limited to contracts for goods and services.
12 All political subdivisions, other public agencies, and state
13 departments and agencies may enter into contracts and otherwise
14 cooperate with the authority.
- 15 *f.* Adopt by rule pursuant to chapter 17A procedures relating
16 to competitive bidding, including the identification of those
17 circumstances under which competitive bidding by the authority,
18 either formally or informally, shall be required. In any
19 bidding process, the authority may administer its own bidding
20 and procurement or may utilize the services of the department
21 of administrative services or any other agency. Except when
22 such rules apply, the authority and all contracts made by it in
23 carrying out its public and essential governmental functions
24 with respect to any of its programs shall be exempt from the
25 provisions and requirements of all laws or rules of the state
26 which require competitive bids in connection with the letting
27 of such contracts.
- 28 *g.* Acquire, hold, improve, mortgage, lease, and dispose of
29 real and personal property, including but not limited to the
30 power to sell at public or private sale, with or without public
31 bidding, any such property, or other obligation held by it.
- 32 *h.* Procure insurance against any loss in connection with its
33 operations and property interests.
- 34 *i.* Fix and collect fees and charges for its services.
- 35 *j.* Subject to an agreement with bondholders or noteholders,

1 invest or deposit moneys of the authority in a manner
2 determined by the authority, notwithstanding chapter 12B or
3 12C.

4 *k.* Accept appropriations, gifts, grants, loans, or other
5 aid from public or private entities. A record of all gifts or
6 grants, stating the type, amount, and donor, shall be clearly
7 set out in the authority's annual report along with the record
8 of other receipts.

9 *l.* Provide to public and private entities technical
10 assistance and counseling related to the authority's purposes.

11 *m.* In cooperation with other local, state, or federal
12 governmental agencies, conduct research studies, develop
13 estimates of unmet economic development needs, gather and
14 compile data useful to facilitating decision making, and enter
15 into agreements to carry out programs within or without the
16 state which the authority finds to be consistent with the goals
17 of the authority.

18 *n.* Enter into agreements with the federal government,
19 tribes, and other states to undertake economic development
20 activities in the state of Iowa.

21 *o.* Own or acquire intellectual property rights including
22 but not limited to copyrights, trademarks, service marks, and
23 patents, and enforce the rights of the authority with respect
24 to such intellectual property rights.

25 *p.* Make, alter, interpret, and repeal rules consistent with
26 the provisions of this chapter, and subject to chapter 17A.

27 *q.* Form committees or panels as necessary to facilitate the
28 authority's duties.

29 *r.* Establish one or more funds within the state treasury
30 under the control of the authority. Notwithstanding section
31 8.33 or 12C.7, or any other provision to the contrary, moneys
32 invested by the treasurer of state pursuant to this subsection
33 shall not revert to the general fund of the state and interest
34 accrued on the moneys shall be moneys of the authority and
35 shall not be credited to the general fund.

1 s. Select projects to receive assistance by the exercise of
2 diligence and care.

3 t. Exercise generally all powers typically exercised by
4 private enterprises engaged in business pursuits unless the
5 exercise of such a power would violate the terms of this
6 chapter or the Constitution of the State of Iowa.

7 2. Notwithstanding any other provision of law, any purchase
8 or lease of real property, other than on a temporary basis,
9 when necessary in order to implement the programs of the
10 authority or protect the investments of the authority, shall
11 require written notice from the authority to the government
12 oversight standing committees of the general assembly and the
13 prior approval of the executive council.

14 3. The powers enumerated in this section are cumulative of
15 and in addition to those powers enumerated elsewhere in this
16 chapter and such powers do not limit or restrict any other
17 powers of the authority.

18 4. Notwithstanding any other provision of law, the
19 authority may elect to utilize any or all of the goods or
20 services available from other state agencies in the conduct
21 of its affairs. Departments, boards, commissions, or other
22 agencies of the state shall provide reasonable assistance and
23 services to the authority upon the request of the director.

24 Sec. 10. NEW SECTION. 15.106B **Specific program powers.**

25 1. In addition to the general powers described in section
26 15.106A, the authority shall have all powers convenient and
27 necessary to carry out its programs.

28 2. For purposes of this section, "*powers convenient and*
29 *necessary*" includes but is not limited to the power to:

30 a. Undertake more extensive research and discussion of
31 the issues identified by the partnership in order to better
32 formulate and implement state economic development policy.

33 b. Establish a nonprofit corporation pursuant to section
34 15.107, for the purpose of receiving and disbursing funds from
35 public or private sources to be used to further the overall

1 development and economic well-being of the state.

2 *c.* Provide export documentation to Iowa businesses that are
3 exporting goods and services if no other government entity is
4 providing export documentation in a form deemed necessary for
5 international commerce.

6 *d.* (1) Pursuant to a contract executed between the
7 authority and the corporation, the authority may delegate to
8 the corporation the performance of the following functions on
9 behalf of the authority:

10 (a) Marketing and promotional activities.

11 (b) Policy research.

12 (c) Economic analysis.

13 (d) Expansion of international markets for Iowa-produced
14 or Iowa-based products.

15 (e) Consulting services. However, such consulting
16 services shall not be provided in relation to an applicant for
17 financial assistance under any of the programs administered
18 by the authority or to persons who have an interest in or any
19 financial connection to the corporation.

20 (2) A contract executed pursuant to this paragraph "*d*"
21 shall not delegate an essential government function, including
22 the budgetary or personnel management responsibilities of the
23 authority, and shall not delegate any sovereign power of the
24 state.

25 (3) The terms of a contract executed pursuant to this
26 paragraph "*d*" may provide for compensation at the fair market
27 value of the services to be provided under the contract.

28 3. The authority may enter into contracts on behalf of
29 the Iowa innovation council established in section 15.117A.
30 Such contracts may delegate the performance of functions to
31 the corporation only if the contracts meet the requirements of
32 subsection 2, paragraph "*d*".

33 **Sec. 11. NEW SECTION. 15.106C Director — responsibilities.**

34 1. The board shall appoint a director of the authority,
35 who shall serve at the pleasure of the authority board. The

1 director shall be selected primarily for administrative ability
2 and knowledge in the field and without regard to political
3 affiliation.

4 2. The director shall not, directly or indirectly, exert
5 influence to induce any other officers or employees of the
6 state to adopt a political view or to favor a political
7 candidate for office.

8 3. The director shall advise the authority on matters
9 relating to economic development and act on the authority's
10 behalf to carry out all directives from the authority board in
11 regard to the operation of the authority.

12 4. The director shall designate certain employees as
13 key professional personnel and shall classify and fix
14 the compensation of the personnel so designated. The
15 director shall not designate more than five employees as key
16 professional personnel.

17 5. The director shall employ personnel as necessary to
18 carry out the duties and responsibilities of the authority.
19 For nonprofessional employees, employment shall be consistent
20 with chapter 8A, subchapter IV. The employment of professional
21 employees shall be exempt from the provisions of chapter 8A,
22 subchapter IV, and chapter 20.

23 6. A person shall not be employed concurrently by both the
24 authority and the corporation.

25 7. A person leaving employment with the authority shall not
26 be employed by the corporation until a period of two years has
27 passed. A person leaving employment with the corporation shall
28 not be employed by the authority until a period of two years
29 has passed.

30 Sec. 12. NEW SECTION. 15.106D Bonds and notes.

31 1. The authority may issue its negotiable bonds and notes
32 in principal amounts as, in the opinion of the authority, are
33 necessary to provide sufficient funds for achievement of its
34 corporate purposes, the payment of interest on its bonds and
35 notes, the establishment of reserves to secure its bonds and

1 notes, and all other expenditures of the authority incident
2 to and necessary or convenient to carry out its purposes and
3 powers. The bonds and notes shall be deemed to be investment
4 securities and negotiable instruments within the meaning of and
5 for all purposes of the uniform commercial code, chapter 554.

6 2. Bonds and notes issued by the authority are payable
7 solely and only out of the moneys, assets, or revenues of the
8 authority, and as provided in the agreement with bondholders
9 or noteholders pledging any particular moneys, assets, or
10 revenues. Bonds or notes are not an obligation of this state
11 or any political subdivision of this state other than the
12 authority within the meaning of any constitutional or statutory
13 debt limitations, but are special obligations of the authority
14 payable solely and only from the sources provided in this
15 chapter, and the authority may not pledge the credit or taxing
16 power of this state or any political subdivision of this state
17 other than the authority, or make its debts payable out of any
18 moneys except those of the authority.

19 3. Bonds and notes must be authorized by a resolution of the
20 authority. However, a resolution authorizing the issuance of
21 bonds or notes may delegate to an officer of the authority the
22 power to negotiate and fix the details of an issue of bonds or
23 notes by an appropriate certificate of such authorized officer.

24 4. Bonds shall:

25 a. State the date and series of the issue, be consecutively
26 numbered, and state on their face that they are payable both
27 as to principal and interest solely out of the assets of
28 the authority, constitute an indebtedness of the authority,
29 and do not constitute an indebtedness of this state or any
30 political subdivision of this state within the meaning of any
31 constitutional or statutory debt limit.

32 b. Be either registered, registered as to principal only,
33 or in coupon form, issued in denominations as the authority
34 prescribes, fully negotiable instruments under the laws of this
35 state, signed on behalf of the authority with the manual or

1 facsimile signature of the chairperson or vice chairperson,
2 attested by the manual or facsimile signature of the secretary,
3 have impressed or imprinted thereon the seal of the authority
4 or a facsimile of the seal of the authority, and the coupons
5 attached shall be signed with the facsimile signature of the
6 chairperson or vice chairperson, be payable as to interest at
7 rates and at times as the authority determines, be payable
8 as to principal at times over a period not to exceed twenty
9 years from the date of issuance, at places, and with reserved
10 rights of prior redemption, as the authority prescribes, be
11 sold at prices, at public or private sale, and in a manner
12 as the authority prescribes, and the authority may pay all
13 expenses, premiums, and commissions which it deems necessary
14 or advantageous in connection with the issuance and sale,
15 and be issued under and subject to the terms, conditions,
16 and covenants providing for the payment of the principal,
17 redemption premiums, if any, interest, and other terms,
18 conditions, covenants, and protective provisions safeguarding
19 payment, not inconsistent with this chapter, as are found to
20 be necessary by the authority for the most advantageous sale,
21 which may include but are not limited to covenants with the
22 holders of the bonds as to:

23 (1) Pledging or creating a lien, to the extent provided
24 by the resolution, on moneys or property of the authority or
25 moneys held in trust or otherwise by others to secure the
26 payment of the bonds.

27 (2) Providing for the custody, collection, securing,
28 investment, and payment of any moneys of or due to the
29 authority.

30 (3) The setting aside of reserves or sinking funds and the
31 regulation or disposition of them.

32 (4) Limitations on the purpose to which the proceeds of
33 sale of an issue of bonds then or thereafter to be issued may
34 be applied.

35 (5) Limitations on the issuance of additional bonds and on

1 the refunding of outstanding or other bonds.

2 (6) The procedure by which the terms of a contract with the
3 holders of bonds may be amended or abrogated, the amount of
4 bonds the holders of which must consent thereto, and the manner
5 in which consent may be given.

6 (7) The creation of special funds into which moneys of the
7 authority may be deposited.

8 (8) Vesting in a trustee properties, rights, powers, and
9 duties in trust as the authority determines, which may include
10 the rights, powers, and duties of the trustee appointed for
11 the holders of any issue of bonds pursuant to section 16.28,
12 in which event the provisions of that section authorizing
13 appointment of a trustee by the holders of bonds shall not
14 apply, or limiting or abrogating the right of the holders of
15 bonds to appoint a trustee under that section, or limiting the
16 rights, duties, and powers of the trustee.

17 (9) Defining the acts or omissions which constitute a
18 default in the obligations and duties of the authority and
19 providing for the rights and remedies of the holders of bonds
20 in the event of a default. However, rights and remedies shall
21 be consistent with the laws of this state and other provisions
22 of this chapter.

23 (10) Any other matters which affect the security and
24 protection of the bonds and the rights of the holders.

25 5. The authority may issue its bonds for the purpose of
26 refunding any bonds or notes of the authority then outstanding,
27 including the payment of any redemption premiums thereon and
28 any interest accrued or to accrue to the date of redemption
29 of the outstanding bonds or notes. Until the proceeds
30 of bonds issued for the purpose of refunding outstanding
31 bonds or notes are applied to the purchase or retirement of
32 outstanding bonds or notes or the redemption of outstanding
33 bonds or notes, the proceeds may be placed in escrow and be
34 invested and reinvested in accordance with the provisions of
35 this chapter. The interest, income, and profits earned or

1 realized on an investment may also be applied to the payment
2 of the outstanding bonds or notes to be refunded by purchase,
3 retirement, or redemption. After the terms of the escrow have
4 been fully satisfied and carried out, any balance of proceeds
5 and interest earned or realized on the investments may be
6 returned to the authority for use by it in any lawful manner.
7 All refunding bonds shall be issued and secured and subject to
8 the provisions of this chapter in the same manner and to the
9 same extent as other bonds issued pursuant to this chapter.

10 6. The authority may issue negotiable bond anticipation
11 notes and may renew them from time to time but the maximum
12 maturity of the notes, including renewals, shall not exceed
13 ten years from the date of issue of the original notes. Notes
14 are payable from any available moneys of the authority not
15 otherwise pledged, or from the proceeds of the sale of bonds
16 of the authority in anticipation of which the notes were
17 issued. Notes may be issued for any corporate purpose of the
18 authority. Notes shall be issued in the same manner as bonds,
19 and notes, and the resolution authorizing them may contain
20 any provisions, conditions, or limitations, not inconsistent
21 with the provisions of this subsection, which the bonds or a
22 bond resolution of the authority may contain. Notes may be
23 sold at public or private sale. In case of default on its
24 notes or violation of any obligations of the authority to
25 the noteholders, the noteholders shall have all the remedies
26 provided in this chapter for bondholders. Notes shall be as
27 fully negotiable as bonds of the authority.

28 7. A copy of each pledge agreement by or to the authority,
29 including without limitation each bond resolution, indenture
30 of trust or similar agreement, or any revisions or supplements
31 to it shall be filed with the secretary of state and no further
32 filing or other action under chapter 554, article 9, of the
33 uniform commercial code, or any other law of the state shall
34 be required to perfect the security interest in the collateral
35 or any additions to it or substitutions for it, and the lien

1 and trust so created shall be binding from and after the time
2 made against all parties having claims of any kind in tort,
3 contract, or otherwise against the pledgor.

4 8. Neither the members of the authority nor any person
5 executing its bonds, notes, or other obligations shall be
6 liable personally on the bonds, notes, or other obligations
7 or be subject to any personal liability or accountability by
8 reason of the issuance of the authority's bonds or notes.

9 Sec. 13. Section 15.107, Code 2011, is amended by striking
10 the section and inserting in lieu thereof the following:

11 **15.107 Economic development corporation.**

12 1. The authority shall establish the economic development
13 corporation as a nonprofit corporation organized under chapter
14 504 and qualifying under section 501(c)(3) of the Internal
15 Revenue Code as an organization exempt from taxation. Unless
16 otherwise provided in this subchapter, the corporation is
17 subject to the provisions of chapter 504. The corporation
18 shall be established for the purpose of receiving and
19 disbursing funds from public or private sources to be used to
20 further the overall development and economic well-being of the
21 state.

22 2. The corporation shall collaborate with the authority as
23 described in this subchapter, but the corporation shall not
24 be considered, in whole or in part, an agency, department, or
25 administrative unit of the state.

26 *a.* The corporation shall not receive appropriations from the
27 general assembly.

28 *b.* The corporation shall not be required to comply with
29 any requirements that apply to a state agency, department, or
30 administrative unit and shall not exercise any sovereign power
31 of the state.

32 *c.* The corporation does not have authority to pledge the
33 credit of the state, and the state shall not be liable for
34 the debts or obligations of the corporation. All debts and
35 obligations of the corporation shall be payable solely from the

1 corporation's funds.

2 3. *a.* The corporation shall be established so that
3 donations and bequests to it qualify as tax deductible under
4 state income tax laws and under section 501(c)(3) of the
5 Internal Revenue Code.

6 *b.* The corporation shall be established for the purpose
7 of expanding economic development opportunities in the state
8 of Iowa and for Iowa businesses operating in foreign markets
9 in connection with the public purpose of economic development
10 in Iowa. The corporation may effectuate this purpose by
11 performing certain functions delegated to it by the authority
12 pursuant to section 15.106B.

13 4. The articles of the corporation shall provide for its
14 governance and its efficient management. In providing for its
15 governance, the articles of the corporation shall address the
16 following:

17 *a.* A board of directors to govern the corporation which
18 shall be comprised of seven members initially appointed by the
19 governor and thereafter selected by a majority vote of the
20 board of directors of the corporation. A member of the board
21 of directors shall not serve as a member of the board of the
22 authority.

23 *b.* The appointment of a chief executive officer by the board
24 to manage the corporation's daily operations.

25 *c.* The delegation of such powers and responsibilities
26 to the chief executive officer as may be necessary for the
27 corporation's efficient operation.

28 *d.* The employment of personnel necessary for the efficient
29 performance of the duties assigned to the corporation. All
30 such personnel shall be considered employees of a private,
31 nonprofit corporation and shall be exempt from the personnel
32 requirements imposed on state agencies, departments, and
33 administrative units.

34 *e.* The financial operations of the corporation including the
35 authority to receive and expend funds from public and private

1 sources and to use its property, money, or other resources for
2 the purpose of the corporation.

3 5. The board of directors of the corporation and the chief
4 executive officer shall act to ensure all of the following:

5 a. That the corporation review and, at the board's
6 direction, implement the strategic plan developed by the
7 partnership pursuant to section 15.104.

8 b. That the corporation prepares an annual budget that
9 includes funding levels for the corporation's activities and
10 that shows sufficient moneys are available to support those
11 activities.

12 c. That the corporation prepares an annual report for the
13 authority on the corporation's activities no later than January
14 31 of each year.

15 d. That the corporation prepares or causes to be prepared a
16 financial audit conducted by a certified public accountant in
17 accordance with generally accepted accounting principles.

18 6. The corporation shall keep confidential all information
19 disclosed to it by the authority as part of a contract executed
20 pursuant to section 15.106B.

21 Sec. 14. NEW SECTION. 15.107A **Duties and responsibilities**
22 **of the corporation.**

23 1. The corporation's board of directors and the chief
24 executive officer shall determine the activities and priorities
25 of the corporation within the general parameters of the duties
26 and responsibilities described in this section and in this
27 subchapter.

28 2. The corporation shall, to the extent its articles so
29 provide and within its public purpose, do all of the following
30 with the purpose of increasing innovation in Iowa's economy and
31 bringing more innovative businesses to the state:

32 a. Consult with the Iowa innovation council in the creation
33 of a comprehensive strategic plan as described in section
34 15.117A, subsection 6, paragraph "a".

35 b. Act as an innovation intermediary by aligning local

1 technologies, assets, and resources to work together on
2 advancing innovation.

3 *c.* Perform any functions delegated by the authority
4 pursuant to section 15.106B. However, the corporation shall
5 not subcontract the performance of a function delegated to the
6 corporation by contract with the authority.

7 *d.* Encourage, stimulate, and support the development and
8 expansion of the state's economy.

9 *e.* Develop and implement effective marketing and promotional
10 programs.

11 *f.* Provide pertinent information to prospective new
12 businesses.

13 *g.* Formulate and pursue programs for encouraging the
14 location of new businesses in the state and for retaining and
15 fostering the growth of existing businesses.

16 *h.* Solicit the involvement of the private sector, including
17 support and funding, for economic development initiatives in
18 the state.

19 *i.* Coordinate the economic development efforts of other
20 state and local entities in an effort to achieve policy
21 consistency.

22 *j.* Collect and maintain any economic data and research that
23 is relevant to the formulation and implementation of effective
24 policies.

25 *k.* Cooperate with and provide information to state agencies,
26 local governments, community colleges, and the board of
27 regents on economic development matters, including the areas of
28 workforce development and job training.

29 **Sec. 15. NEW SECTION. 15.107B Annual reporting**
30 **requirements.**

31 1. On or before January 31 of each year, the director shall
32 submit to the authority board a report that describes the
33 activities of the authority during the preceding fiscal year.
34 The report may include such information as the director deems
35 necessary or as otherwise required by law.

1 2. The report submitted pursuant to subsection 1 shall at a
2 minimum include the following:

3 a. A summary of the report filed by December 1 of each year
4 by the department of administrative services with the authority
5 regarding targeted small business procurement activities
6 conducted during the previous fiscal year.

7 b. A summary of the report filed by December 1 of each year
8 by the department of inspections and appeals with the authority
9 regarding certifications of targeted small businesses. At a
10 minimum, the summary shall include the number of certified
11 targeted small businesses for the previous year, the increase
12 or decrease in that number during the previous fiscal year
13 compared to the prior fiscal year, and the number of targeted
14 small businesses that have been decertified in the previous
15 fiscal year.

16 c. A summary of the internal report compiled by December
17 1 of each year by the authority regarding the targeted small
18 business financial assistance program. At a minimum, the
19 summary shall contain the number of loans, loan guarantees,
20 and grants distributed during the previous fiscal year, the
21 individual amounts provided to targeted small businesses during
22 the previous fiscal year, and how many financial assistance
23 awards to targeted small businesses were the subject of
24 repayment or collection activity during the previous fiscal
25 year.

26 d. A list of the procurement goals established pursuant to
27 section 73.16, subsection 2, and compiled by the authority's
28 targeted small business marketing and compliance manager and
29 the performance of each agency in meeting the goals. The
30 performance of each agency shall be determined based upon the
31 reports required pursuant to section 73.16, subsection 2.

32 **Sec. 16. NEW SECTION. 15.107C Oversight of corporation.**

33 1. In performing delegated functions pursuant to section
34 15.107A, the corporation shall comply with the provisions of
35 this section.

1 2. *a.* The corporation shall submit an annual report to the
2 governor, general assembly, and the auditor of state by January
3 15. The report shall include the corporation's operations and
4 activities during the prior fiscal year to the extent that such
5 operations and activities pertain to the functions delegated
6 to the corporation by the authority, as provided in sections
7 15.106B and 15.107A.

8 *b.* The report shall describe how the operations and
9 activities serve the interests of the state and further
10 economic development.

11 *c.* An annual audit of the corporation shall be filed with
12 the office of auditor of state.

13 3. The deliberations or meetings of the board of directors
14 of the corporation that pertain to the performance of delegated
15 functions shall be conducted in accordance with chapter 21.

16 4. All of the following shall be subject to chapter 22:

17 *a.* Minutes of the meetings conducted in accordance with
18 subsection 3.

19 *b.* All records pertaining to the performance by the
20 corporation of delegated functions.

21 Sec. 17. Section 15.108, subsection 1, paragraph b, Code
22 2011, is amended by striking the paragraph.

23 Sec. 18. Section 15.117A, subsection 6, paragraph a, Code
24 2011, is amended to read as follows:

25 *a.* Create a comprehensive strategic plan for implementing
26 specific policies that further the purpose of the council
27 as described in subsection 5. In creating the plan and
28 implementing such policies, the council may consult with the
29 corporation established pursuant to section 15.107.

30 Sec. 19. REPEAL. Sections 15E.11, 15E.14, 15E.15, and
31 15E.16, Code 2011, are repealed.

32 Sec. 20. CONTINUING VALIDITY OF DEPARTMENT RULES.

33 1. All rules promulgated by the department of economic
34 development shall be valid and enforceable after the
35 elimination of the department as rules promulgated by the

1 economic development authority.

2 2. As soon as practicable, the authority shall adopt revised
3 rules issued under its own rulemaking authority.

4 Sec. 21. TRANSITION OF EMPLOYEES.

5 1. All employees of the department of economic development
6 shall be considered employees of the economic development
7 authority upon the elimination of the former and creation of
8 the latter.

9 2. Such employees shall suffer no loss in years served,
10 sick leave and vacation time accrued, or other benefits of
11 their current employment upon transition to employment with the
12 authority.

13 3. All employees of the department transitioning to
14 employment with the authority shall be considered employees
15 for purposes of chapter 97B and may elect to remain a covered
16 employee or to file an optional exclusion from membership as
17 provided in section 97B.42A.

18 Sec. 22. CONTINUATION OF FINANCIAL ASSISTANCE.

19 1. Any moneys remaining in any account or fund under the
20 control of the department of economic development on the
21 effective date of this Act and relating to the provisions of
22 this Act shall be transferred to a comparable fund or account
23 under the control of the economic development authority for
24 such purposes. Notwithstanding section 8.33, the moneys
25 transferred in accordance with this subsection shall not revert
26 to the account or fund from which appropriated or transferred.

27 2. Any license, permit, or contract issued or entered into
28 by the department of economic development relating to the
29 provisions of this Act in effect on the effective date of this
30 Act shall continue in full force and effect pending transfer
31 of such licenses, permits, or contracts to the economic
32 development authority.

33 3. Financial assistance awards made or provided for
34 in agreements entered into under the Iowa values fund and
35 financial assistance program pursuant to the provisions of

1 chapter 15G prior to the effective date of this Act shall
2 continue as provided in such agreements. Such agreements shall
3 be administered by the economic development authority according
4 to the provisions of chapter 15G.

5 4. Federal funds utilized by the director of the department
6 of economic development prior to the effective date of this Act
7 to employ personnel necessary for the administration of the
8 department's programs shall be applied to and be available for
9 the transfer of such personnel from the department of economic
10 development to the economic development authority.

11 DIVISION II

12 MISCELLANEOUS PROGRAM CHANGES

13 Sec. 23. Section 10B.5, subsection 2, Code 2011, is amended
14 to read as follows:

15 2. Information provided in reports required in this chapter
16 is a confidential record as provided in section 22.7. The
17 attorney general may have access to the reports, and may use
18 information in the reports in any action to enforce state law,
19 including but not limited to chapters ~~9H~~ and 9I, ~~and 10C~~.
20 The reports shall be made available to members of the general
21 assembly and appropriate committees of the general assembly
22 in order to determine the extent that agricultural land is
23 held in this state by corporations and other business and
24 foreign entities and the effect of such land ownership upon the
25 economy of this state. The secretary of state shall assist any
26 committee of the general assembly studying these issues.

27 Sec. 24. Section 15G.101, subsection 10, Code 2011, is
28 amended to read as follows:

29 10. "*Fund*" means the ~~grow Iowa values~~ economic development
30 fund created in section 15G.111.

31 Sec. 25. Section 15G.111, subsection 1, unnumbered
32 paragraph 1, Code 2011, is amended to read as follows:

33 ~~A grow Iowa values~~ An economic development fund is created
34 in the state treasury under the control of the ~~department of~~
35 economic development authority consisting of the following:

1 Sec. 26. Section 15G.112, subsection 1, paragraph a, Code
2 2011, is amended to read as follows:

3 a. The department shall establish and administer ~~a grow Iowa~~
4 ~~values~~ an economic development financial assistance program for
5 purposes of providing financial assistance from the fund to
6 applicants. The financial assistance shall be provided from
7 moneys credited to the ~~grow Iowa values~~ economic development
8 fund and not otherwise obligated or allocated pursuant to
9 section 15G.111.

10 Sec. 27. NEW SECTION. 15H.1A **Definitions.**

11 For purposes of this chapter, unless the context otherwise
12 requires:

13 1. "*Authority*" means the economic development authority
14 created in section 15.105.

15 2. "*Director*" means the director of the authority.

16 Sec. 28. Section 15H.2, subsections 1 and 2, Code 2011, are
17 amended to read as follows:

18 1. ~~The governor shall establish the Iowa commission on~~
19 ~~volunteer service which shall be part of the governor's office~~
20 is created within the authority. The governor shall appoint
21 the commission's members. The director may employ personnel
22 as necessary to carry out the duties and responsibilities of
23 the commission.

24 2. The mission of the commission is the development and
25 implementation of a comprehensive, statewide plan for promoting
26 volunteer involvement and citizen participation in Iowa, as
27 well as to serve as the state's liaison to national and state
28 organizations which support the commission's mission. The
29 commission shall also carry out any duties and responsibilities
30 described in the National Community Service Trust Act of 1993
31 or any related state or federal legislation.

32 Sec. 29. Section 15H.3, subsection 1, Code 2011, is amended
33 by adding the following new paragraph:

34 NEW PARAGRAPH. k. Additional ex officio members selected by
35 the commission to the extent that they are not in conflict with

1 the provisions of the National Community Service Trust Act of
2 1993 or any related state or federal legislation.

3 Sec. 30. Section 15H.3, subsection 6, Code 2011, is amended
4 to read as follows:

5 6. The chairperson of the commission shall be selected by
6 the ~~governor and serve at the governor's discretion~~ members of
7 the commission.

8 Sec. 31. Section 15H.4, subsection 1, Code 2011, is amended
9 to read as follows:

10 1. The ~~governor's office~~ authority shall serve as the lead
11 agency for administration of the commission. The authority
12 may consult with the department of education, the state board
13 of regents, and the department of workforce development, ~~and~~
14 ~~the department of economic development shall provide for any~~
15 additional administrative support as necessary to fulfill the
16 duties of the commission. All other state agencies, at the
17 request of the authority, shall provide assistance to the
18 commission to ensure a fully coordinated state effort for
19 promoting national and community service.

20 Sec. 32. Section 175.37, subsection 2, paragraph a, Code
21 2011, is amended to read as follows:

22 a. Be a person who may acquire or otherwise obtain or lease
23 agricultural land in this state pursuant to chapter 9H or 9I.
24 However, the taxpayer must not be a person who may acquire
25 or otherwise obtain or lease agricultural land exclusively
26 because of an exception provided in one of those chapters or in
27 a provision of another chapter of this Code including but not
28 limited to chapter 10, ~~10C~~, 10D, or 501, or section 15E.207.

29 Sec. 33. REPEAL. Chapter 10C, Code 2011, is repealed.

30 DIVISION III

31 OFFICE OF ENERGY INDEPENDENCE TRANSFERRED

32 Sec. 34. Section 11.5B, subsection 15, Code 2011, is amended
33 by striking the subsection.

34 Sec. 35. Section 15H.6, subsection 1, Code 2011, is amended
35 to read as follows:

1 1. The Iowa commission on volunteer service, in
2 collaboration with the department of natural resources, the
3 department of workforce development, ~~the office of energy~~
4 ~~independence~~, and the utilities board of the department of
5 commerce, shall establish an Iowa green corps program. The
6 commission shall work with the collaborating agencies and
7 nonprofit agencies in developing a strategy for attracting
8 additional financial resources for the program from other
9 sources which may include but are not limited to utilities,
10 private sector, and local, state, and federal government
11 funding sources. The financial resources received shall be
12 credited to the community programs account created pursuant to
13 section 15H.5.

14 Sec. 36. Section 22.7, subsection 60, Code 2011, is amended
15 by striking the subsection.

16 Sec. 37. Section 103A.8B, Code 2011, is amended to read as
17 follows:

18 **103A.8B Sustainable design or green building standards.**

19 The commissioner, after consulting with and receiving
20 recommendations from the department of natural resources
21 ~~and the office of energy independence~~, shall adopt rules
22 pursuant to chapter 17A specifying standards and requirements
23 for sustainable design and construction based upon or
24 incorporating nationally recognized ratings, certifications,
25 or classification systems, and procedures relating to
26 documentation of compliance. The standards and requirements
27 shall be incorporated into the state building code established
28 in section 103A.7, but in lieu of general applicability shall
29 apply to construction projects only if such applicability is
30 expressly authorized by statute, or as established by another
31 state agency by rule.

32 Sec. 38. Section 268.6, subsection 2, Code 2011, is amended
33 to read as follows:

34 2. The university is encouraged to cooperate with
35 agricultural and energy efficiency advocates and governmental

1 entities in administering the program, ~~including the office of~~
2 ~~energy independence established pursuant to section 469.2.~~

3 Sec. 39. Section 470.1, Code 2011, is amended by adding the
4 following new subsection:

5 NEW SUBSECTION. 01. "*Authority*" means the economic
6 development authority created in section 15.105.

7 Sec. 40. Section 470.1, subsection 2, Code 2011, is amended
8 to read as follows:

9 2. "*Director*" means the director of the ~~office of energy~~
10 ~~independence~~ economic development authority.

11 Sec. 41. Section 470.1, subsection 8, Code 2011, is amended
12 by striking the subsection.

13 Sec. 42. Section 473.1, Code 2011, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 1A. "*Authority*" means the economic
16 development authority created in section 15.105.

17 Sec. 43. Section 473.1, subsection 3, Code 2011, is amended
18 to read as follows:

19 3. "*Director*" means the director of the ~~office~~ authority or
20 a designee.

21 Sec. 44. Section 473.1, subsection 5, Code 2011, is amended
22 by striking the subsection.

23 Sec. 45. REPEAL. Section 455B.851, Code 2011, is repealed.

24 Sec. 46. REPEAL. Chapter 469, Code 2011, is repealed.

25 Sec. 47. CODE EDITOR DIRECTIVE.

26 1. The Code editor is directed to change the words "office
27 of energy independence" to "economic development authority"
28 in Code sections 7D.34, 7D.35, 8A.362, 72.5, 103A.8, 103A.27,
29 159A.3, 159A.6B, 266.39C, 272C.2, 279.44, 323A.2, 441.21,
30 476.6, and 476.63.

31 2. The Code editor is directed to change the word "office"
32 to "authority" in Code sections 470.3, 470.7, 473.7, 473.8,
33 473.10, 473.13A, 473.15, 473.19, 473.19A, 473.20, 473.20A, and
34 473.41.

35 Sec. 48. TRANSITION PROVISIONS — CONTINUATION OF GRANTS.

1 1. Any moneys remaining in any account or fund under the
2 control of the office of energy independence on the effective
3 date of this Act relative to the provisions of this Act
4 shall be transferred to a comparable fund or account under
5 the control of the economic development authority for such
6 purposes. Notwithstanding section 8.33, the moneys transferred
7 in accordance with this subsection shall not revert to the
8 account or fund from which appropriated or transferred.

9 2. Any license, permit, or contract issued or entered into
10 by the office of energy independence relating to the provisions
11 of this Act in effect on the effective date of this Act shall
12 continue in full force and effect pending transfer of such
13 licenses, permits, or contracts to the authority.

14 3. Grants or loans awarded from the Iowa power fund pursuant
15 to section 469.9 prior to the effective date of this Act shall
16 continue as provided by the terms of the grants or loans and
17 shall be administered by the authority.

18 4. Federal funds utilized by the director of the office
19 of energy independence prior to the effective date of this
20 Act to administer the provisions of a federal grant under the
21 provisions of this Act shall be applicable to the authority for
22 the same purposes.

23 Sec. 49. TRANSITION PROVISIONS — EMERGENCY

24 RULEMAKING. Not later than July 1, 2011, the economic
25 development authority shall adopt administrative rules
26 previously adopted by the office of energy independence
27 relative to the provisions of this Act in existence on the
28 effective date of this Act by emergency rulemaking pursuant
29 to section 17A.4, subsection 3, and section 17A.5, subsection
30 2, paragraph "b". The rules shall be effective immediately
31 upon filing unless a later date is specified in the rules.
32 Any rules adopted in accordance with this section shall also
33 be published as a notice of intended action as provided in
34 section 17A.4. Any rule, regulation, form, order, or directive
35 promulgated by the office relative to the provisions of

1 this Act shall continue in full force and effect until such
2 emergency rules are adopted.

3 Sec. 50. EFFECTIVE UPON ENACTMENT. The sections of this
4 division of this Act providing for emergency rulemaking,
5 and repealing section 455B.851, being deemed of immediate
6 importance, take effect upon enactment.

7 DIVISION IV

8 CONFORMING CHANGES

9 Sec. 51. Section 7E.5, subsection 1, paragraph g, Code 2011,
10 is amended to read as follows:

11 *g.* The ~~Iowa department of economic development authority,~~
12 created in section 15.105, which has ~~primary~~ responsibility
13 for ~~programs for carrying out~~ ensuring that the economic
14 development policies of the state are effectively and
15 efficiently carried out.

16 Sec. 52. Section 15.327, Code 2011, is amended by adding the
17 following new subsection:

18 NEW SUBSECTION. 01. "*Authority*" means the economic
19 development authority created in section 15.105.

20 Sec. 53. Section 15.327, subsection 5, Code 2011, is amended
21 by striking the subsection.

22 Sec. 54. Section 15E.1, Code 2011, is amended to read as
23 follows:

24 **15E.1 Definition.**

25 As used in this chapter, unless the context otherwise
26 requires, ~~"department"~~ "*authority*" means the ~~Iowa department of~~
27 economic development authority created in section 15.105.

28 Sec. 55. Section 15E.64, subsection 2, paragraph a, Code
29 2011, is amended to read as follows:

30 *a.* The chairperson of the ~~Iowa economic development board~~
31 authority or a designee of the chairperson.

32 Sec. 56. Section 15E.64, subsection 3, Code 2011, is amended
33 to read as follows:

34 3. After incorporation, the initial board of directors
35 shall be elected by the members of an appointment committee.

1 The members of the appointment committee shall be appointed by
2 the ~~Iowa~~ economic development ~~board~~ authority. The initial
3 board of directors shall consist of five members. The persons
4 elected to the initial board of directors by the appointment
5 committee shall include persons who have an expertise in
6 the areas of the selection and supervision of investment
7 managers or in the fiduciary management of investment funds,
8 and other areas of expertise as deemed appropriate by the
9 appointment committee. After the election of the initial
10 board of directors, vacancies in the board of directors of the
11 corporation shall be elected by the remaining directors of
12 the corporation. Members of the board of directors shall be
13 subject to any restrictions on conflicts of interest specified
14 in the organizational documents and shall have no interest in
15 any venture capital investment fund allocation manager selected
16 by the corporation pursuant to the provisions of this division
17 or in any investments made by the Iowa fund of funds.

18 Sec. 57. Section 15E.202, Code 2011, is amended by adding
19 the following new subsection:

20 NEW SUBSECTION. 6A. "*Authority*" means the economic
21 development authority created in section 15.105.

22 Sec. 58. Section 15E.202, subsection 9, Code 2011, is
23 amended by striking the subsection.

24 Sec. 59. Section 15E.202, subsection 10, Code 2011, is
25 amended to read as follows:

26 10. "*Economic development board authority*" means the economic
27 development ~~board~~ authority created pursuant to section ~~15.103~~
28 15.105.

29 Sec. 60. Section 15E.206, subsection 2, paragraph a, Code
30 2011, is amended to read as follows:

31 a. ~~The chairperson~~ A member of the economic development
32 ~~board~~ authority chosen by the members of the authority or a
33 designee of the ~~chairperson~~ member.

34 Sec. 61. Section 15E.206, subsection 3, paragraphs a and d,
35 Code 2011, are amended to read as follows:

1 *a.* After incorporation, such a corporation shall be
2 organized by an initial board of directors as provided in
3 chapter 490, division II. The initial board of directors shall
4 be elected by the members of an appointment committee. The
5 members of the appointment committee shall be appointed by
6 the economic development ~~board~~ authority. The initial board
7 of directors shall consist of seven members. The members of
8 the appointment committee shall include persons who have an
9 expertise in areas of banking, agricultural lending, business
10 development, agricultural production and processing, seed and
11 venture capital investment, and other areas of expertise as
12 deemed appropriate by the interim board of directors.

13 *d.* The department shall assist the incorporators and the
14 appointment committee in any manner determined necessary and
15 appropriate by the economic development ~~board~~ authority and the
16 director of the ~~department~~ authority in order to administer
17 this section.

18 Sec. 62. Section 15E.208, subsection 4, paragraph c, Code
19 2011, is amended to read as follows:

20 *c.* A member of the economic development ~~board~~ authority, an
21 employee of the ~~department of~~ economic development authority,
22 an elected state official, or any director or other officer or
23 an employee of the corporation.

24 Sec. 63. Section 15E.351, subsection 1, Code 2011, is
25 amended to read as follows:

26 1. The ~~department~~ economic development authority shall
27 establish and administer a business accelerator program
28 to provide financial assistance for the establishment and
29 operation of a business accelerator for technology-based,
30 value-added agricultural, information solutions, alternative
31 and renewable energy including the alternative and renewable
32 energy sectors listed in section 476.42, subsection 1,
33 paragraph "a", or advanced manufacturing start-up businesses
34 or for a satellite of an existing business accelerator. The
35 program shall be designed to foster the accelerated growth of

1 new and existing businesses through the provision of technical
2 assistance. The ~~department, subject to the approval of the~~
3 ~~economic development board,~~ authority may provide financial
4 assistance under this section from moneys allocated for
5 regional financial assistance pursuant to section 15G.111,
6 subsection 9.

7 Sec. 64. Section 15F.101, Code 2011, is amended by adding
8 the following new subsection:

9 NEW SUBSECTION. 01. "*Authority*" means the economic
10 development authority created in section 15.105.

11 Sec. 65. Section 15F.101, subsection 2, Code 2011, is
12 amended by striking the subsection.

13 Sec. 66. Section 15G.101, Code 2011, is amended by adding
14 the following new subsection:

15 NEW SUBSECTION. 01. "*Authority*" means the economic
16 development authority created in section 15.105.

17 Sec. 67. Section 15G.101, subsection 3, Code 2011, is
18 amended by striking the subsection.

19 Sec. 68. Section 15G.101, subsection 6, Code 2011, is
20 amended by striking the subsection.

21 Sec. 69. Section 15G.115, subsection 2, paragraph a, Code
22 2011, is amended by striking the paragraph.

23 Sec. 70. Section 15G.201, Code 2011, is amended by adding
24 the following new subsection:

25 NEW SUBSECTION. 01. "*Authority*" means the economic
26 development authority created in section 15.105.

27 Sec. 71. Section 15G.201, subsection 2, Code 2011, is
28 amended by striking the subsection.

29 Sec. 72. Section 97B.1A, subsection 8, paragraph a, Code
30 2011, is amended by adding the following new subparagraph:

31 NEW SUBPARAGRAPH. (12) Persons employed by the economic
32 development authority on or after July 1, 2011.

33 Sec. 73. Section 260F.2, Code 2011, is amended by adding the
34 following new subsection:

35 NEW SUBSECTION. 1A. "*Authority*" means the economic

1 development authority created in section 15.105.

2 Sec. 74. Section 260F.2, subsection 4, Code 2011, is amended
3 by striking the subsection.

4 Sec. 75. Section 260G.4C, Code 2011, is amended to read as
5 follows:

6 **260G.4C Facilitator.**

7 The ~~department of~~ economic development authority shall
8 administer the statewide allocations of program job credits
9 to accelerated career education programs. The ~~department~~
10 authority shall provide information about the accelerated
11 career education programs in accordance with its annual
12 reporting requirements in section ~~15.104, subsection 8~~ 15.107B.

13 Sec. 76. Section 260G.6, subsection 4, Code 2011, is amended
14 to read as follows:

15 4. In order to receive moneys pursuant to this section,
16 a program agreement approved by the community college board
17 of directors shall be in place, program capital cost requests
18 shall be approved by the ~~Iowa economic development board~~
19 authority created in section ~~15.103~~ 15.105, program capital
20 cost requests shall be approved or denied not later than sixty
21 days following receipt of the request by the ~~department of~~
22 economic development authority, and employer contributions
23 toward program capital costs shall be certified and agreed to
24 in the agreement.

25 Sec. 77. Section 496B.2, Code 2011, is amended by adding the
26 following new subsection:

27 NEW SUBSECTION. 01. "*Authority*" means the economic
28 development authority created in section 15.105, or any entity
29 which succeeds to the functions of the authority.

30 Sec. 78. Section 496B.2, subsection 2, Code 2011, is amended
31 by striking the subsection.

32 Sec. 79. CODE EDITOR DIRECTIVE. Sections 15.116, 15.247,
33 15.294, 15.335A, 15E.64, 15E.202, 15E.206, 15E.208, 15E.351,
34 15G.101, 68B.35, 260G.6, and 308.1, Code 2011, are amended as
35 follows:

1 1. By striking from the sections the words "economic
2 development board" and inserting in lieu thereof the words
3 "economic development authority".

4 2. By striking from the sections the word "board", when
5 referring to the economic development board, and inserting in
6 lieu thereof the word "authority".

7 Sec. 80. CODE EDITOR DIRECTIVE. Sections 7C.4A, 7E.5,
8 8.6, 8.31, 12.38, 12.73, 15.108, 15.109, 15.274, 15.293A,
9 15.294, 15.333, 15.393, 15.411, 15.421, 15A.9, 15E.17, 15E.19,
10 15E.64, 15E.116, 15E.117, 15E.120, 15E.192, 15E.193, 15E.193B,
11 15E.194, 15E.195, 15E.196, 15E.197, 15E.206, 15E.208, 15E.311,
12 15E.351, 15F.102, 15G.109, 15G.110, 15G.111, 15H.5, 15H.6,
13 16.100A, 16.135, 16.191, 19B.7, 22.7, 28I.8, 28J.28, 28L.1,
14 28N.2, 28N.3, 73.16, 73.17, 73.18, 73.19, 73.20, 84A.1A, 84A.5,
15 84A.6, 99F.6, 99F.11, 123.143, 123.183, 159.18, 159.20, 159A.3,
16 159A.6B, 184.6, 185.3, 185C.10, 231.51, 239B.8, 239B.17,
17 256.31, 256.39, 256.40, 260C.18A, 260E.7, 260F.6, 260F.6B,
18 260F.7, 260G.3, 260G.4B, 260G.4C, 260G.6, 262.34A, 262B.3,
19 262B.23, 268.4, 303.3B, 303.3C, 306D.2, 307.49, 307C.3, 321.19,
20 321.252, 335.8, 352.4, 368.9, 403.19A, 403.21, 403.22, 404A.4,
21 422.16A, 422.33, 427B.1, 455B.199B, 455B.433, 455E.11, 455J.6,
22 461A.79, 461A.80, 465A.2, 465B.2, 465B.3, 466B.3, 483A.24,
23 496B.3, 496B.6, 496B.12, 496B.17, Code 2011, are amended as
24 follows:

25 1. By striking from the sections the words "department of
26 economic development" and inserting in lieu thereof the words
27 "economic development authority".

28 2. By striking from the sections the words "Iowa department
29 of economic development" and inserting in lieu thereof the
30 words "economic development authority".

31 3. By striking from the sections the word "department",
32 when referring to the department of economic development, and
33 inserting in lieu thereof the word "authority".

34 Sec. 81. CODE EDITOR DIRECTIVE. Sections 15E.231, 15E.232,
35 15E.233, 15G.101, 15G.110, 15G.111, 15G.112, 15G.114, 15G.115,

1 159A.6B, 266.19, 455B.104, and 455B.433, Code 2011, are amended
2 as follows:

3 1. By striking from the sections the words "grow Iowa
4 values fund" and inserting in lieu thereof the words "economic
5 development fund".

6 2. By striking from the sections the words "grow Iowa values
7 financial assistance program" and inserting in lieu thereof the
8 words "economic development financial assistance program".

9 Sec. 82. CODE EDITOR DIRECTIVE.

10 1. To the extent not amended or identified by the provisions
11 of this Act, the Code editor is directed to correct all
12 internal references to the economic development board, the
13 department of economic development, the director of the
14 department of economic development, the grow Iowa values
15 fund, and the grow Iowa values financial assistance program
16 by replacing such references with references to the economic
17 development authority, the director of the economic development
18 authority, the economic development fund, and the economic
19 development financial assistance program, as is appropriate
20 to the context and to the extent that such corrections are in
21 conformance with the intent of this Act.

22 2. The Code editor is also directed to correct in the same
23 manner all similar references in any enacted Iowa Acts as
24 necessary.

25 EXPLANATION

26 This bill relates to economic development by reorganizing
27 the executive branch agencies created to administer economic
28 development programs.

29 Currently, the state's economic development programs are
30 administered by the department of economic development which
31 is subject to the oversight of the economic development board.
32 Division I of the bill eliminates both the department and the
33 board and creates in their place the partnership for economic
34 progress, the economic development authority, and the economic
35 development corporation.

1 The division creates the partnership for economic progress
2 to serve as an advisory body within state government. The
3 partnership must function on a continuing basis for the
4 study and recommendation of solutions and policy alternatives
5 arising in the area of economic development. The partnership
6 is comprised of seven members appointed by the governor and
7 subject to confirmation by the senate. To the extent possible,
8 the governor must appoint persons with private sector economic
9 development experience. Members are appointed for staggered
10 two-year terms. Members are entitled to per diems and must
11 give bond as required in Code chapter 64. The governor, or if
12 the governor so designates, the lieutenant governor serves as
13 the chairperson of the partnership. Meetings are to be held
14 at least quarterly. The partnership has the power to call and
15 hold meetings, keep records, and develop a strategic vision for
16 economic development in Iowa. This vision must be submitted to
17 the authority and the general assembly by January 31 of each
18 year for their consideration.

19 The division creates the economic development authority as
20 a public instrumentality and agency of the state exercising
21 public and essential governmental functions to undertake
22 programs which implement economic development policy in
23 the state and to undertake certain finance programs. The
24 authority is the successor entity to the department of economic
25 development, which is eliminated, and all of the existing
26 duties of the department pass to the authority.

27 The powers of the authority are vested in a board of nine
28 members appointed by the governor and subject to confirmation
29 by the senate. The nine members of the authority board consist
30 of two members appointed from each of Iowa's four congressional
31 districts and one at-large member. If the boundaries of the
32 four congressional districts are not established by law when
33 the bill becomes effective, the governor must appoint eight
34 members that represent the geographic diversity of the state.
35 The board also has four ex officio nonvoting legislative

1 members, two senators and two representatives appointed by
2 legislative leaders.

3 To the extent possible, the members of the board are to
4 be persons actively employed in the private sector or who
5 otherwise have expertise in economic development. Members of
6 the board serve staggered terms of four years. Members are
7 entitled to per diems and must give bond as required in Code
8 chapter 64. Except for the chairperson of the corporation's
9 board of directors, members of the corporation's board may not
10 serve on the authority board. Members of the authority board
11 may serve on the partnership, but the number of members so
12 serving must be less than the number that constitutes a quorum
13 of the authority board. A member of the board of directors
14 of the corporation cannot serve as a member of the authority
15 board.

16 The assets and earnings of the authority, beyond those
17 necessary for the retirement of financial obligations or to
18 implement required programs, inure to the benefit of the
19 state. Members of the authority, while acting within the scope
20 of their agency or employment, are not subject to personal
21 liability. Conflicts of interest arising from the actions of
22 the authority are not permitted.

23 The division provides the authority certain general powers
24 that are necessary and convenient for purposes of carrying out
25 its duties. Such powers include the power to issue bonds, sue
26 and be sued, have a corporate seal, make bylaws, enter into
27 contracts, adopt rules relating to competitive bidding, acquire
28 property interests, procure insurance, charge fees for its
29 services, invest moneys of the authority, accept appropriations
30 and other forms of financial assistance from various sources,
31 provide technical assistance to public and private entities,
32 conduct research, form committees or panels, establish funds
33 within the state treasury, provide assistance to select
34 projects, and to exercise all powers typically exercised by
35 private enterprises engaged in business pursuits unless the

1 exercise of such power would be a violation of law.

2 The division also provides certain specific program powers
3 necessary and convenient to carry out programs. Such powers
4 include the power to make contracts for the delegation of
5 services to the economic development corporation. The
6 functions that can be delegated include marketing, policy
7 research, economic analysis, market expansion, and consulting
8 services. Essential governmental functions and sovereign
9 powers of the state may not be delegated. The contracts may
10 provide for compensation at fair market value. The corporation
11 may not subcontract the performance of the functions delegated
12 to it by the authority. The authority may enter into contracts
13 on behalf of the Iowa innovation council established in Code
14 section 15.117A. If such contracts delegate the performance of
15 functions to the corporation, then they are subject to all of
16 the requirements that apply to contracts the authority makes
17 with the corporation on its own behalf.

18 The division provides that the board of the authority must
19 appoint a director for the authority. The director is to be
20 selected primarily for administrative ability and not based on
21 political affiliation. The director is to advise the authority
22 on matters relating to economic development and is to carry out
23 all directives from the board in regard to the operation of the
24 authority. The director must designate up to five employees
25 as key professional personnel and must fix their compensation.
26 Other employees of the authority may be professional or
27 nonprofessional. Nonprofessional employees must be employed
28 consistent with Code chapter 8A, subchapter IV. Professional
29 employees are exempt from Code chapter 8A, subchapter IV and
30 Code chapter 20.

31 The division provides the authority the power to issue bonds
32 and notes. Such bonds and notes must be issued solely from
33 the moneys of the authority. The authority may not pledge the
34 credit of the state. The issuance of bonds and notes requires
35 a resolution of the authority. However, such a resolution may

1 delegate to an officer of the authority the power to negotiate
2 the details of such transactions. Certain standard statutory
3 requirements for the issuance of bonds are provided.

4 The division provides for the establishment of the economic
5 development corporation by the authority. The corporation
6 is to be established as a nonprofit corporation organized
7 under Code chapter 504 and qualifying as exempt under section
8 501(c)(3) of the Internal Revenue Code.

9 The corporation must collaborate with the authority, but
10 is not to be considered, in whole or in part, an agency,
11 department, or administrative unit of the state. The
12 corporation cannot receive appropriations from the general
13 assembly and is not required to comply with any requirements
14 that apply to a state agency. The corporation does not have
15 authority to pledge the credit of the state and the state is
16 not liable for the debts or obligations of the corporation.
17 The corporation is to be established for the purpose of
18 expanding economic development opportunities in Iowa and
19 may effectuate this purpose by performing certain functions
20 delegated to it by the authority. In performing functions
21 delegated by the authority, the corporation must comply with
22 certain open meetings and open records requirements whenever
23 the meetings or records pertain to the delegated functions.
24 The corporation must also submit a report and audit to the
25 general assembly by January 15 of each year.

26 The articles of the corporation must provide for its
27 efficient management by a board of directors to be initially
28 appointed by the governor and thereafter selected by a majority
29 vote of the corporation's board members and a chief executive
30 officer appointed by the corporation's board.

31 The division provides that the chief executive officer must
32 act to ensure that the corporation creates a strategic plan,
33 prepares an annual budget, and provides an annual report to the
34 authority.

35 The division authorizes the corporation to receive and

1 expend funds from public and private sources and to use its
2 resources for the purpose of performing the duties assigned to
3 it.

4 The corporation is required to keep confidential all
5 information disclosed to it by the authority as part of a
6 contract for services.

7 The division provides that the corporation perform certain
8 duties and responsibilities related to its activities under
9 contract with the authority and to economic development in
10 general.

11 On or before January 31 of each year, the director of
12 the authority is to submit a report to the members of the
13 authority. This report may include the information deemed
14 necessary by the director, but must include certain information
15 related to targeted small business procurement activities.

16 The division repeals certain provisions in Code chapter
17 15E relating to a nonprofit corporation operated under the
18 authority of the department of economic development.

19 The division provides for the continuing validity of rules
20 promulgated by the department of economic development and
21 allows for their enforcement by the authority. As soon as
22 practicable, the authority is required to adopt new rules
23 issued under its own rulemaking authority.

24 The division provides for the continuance of financial
25 assistance provided under the programs administered by the
26 department of economic development.

27 Division II of the bill makes certain program changes of more
28 significance than the conforming changes in division III.

29 Division II repeals Code chapter 10C relating to life
30 science products and enterprises.

31 Division II changes the name of the grow Iowa values fund and
32 financial assistance program to the economic development fund
33 and financial assistance program.

34 Division II also changes the membership and organizational
35 structure of the Iowa commission on volunteer service.

1 Currently, the commission is created within the governor's
2 office and is comprised of certain appointed members. The
3 division creates the commission within the authority. The
4 commission's responsibilities, funding, and programs are not
5 changed in the division.

6 Division III moves the office of energy independence to
7 the authority, makes certain conforming changes, and provides
8 transition provisions related to employees, grants, and
9 financial assistance. The division provides for emergency
10 rulemaking by the authority relating to the provisions of the
11 bill. Certain provisions of the division take effect upon
12 enactment.

13 Division IV makes certain changes in conformance with the
14 provisions of division I and directs the Code editor to correct
15 internal references to the eliminated entities and renamed fund
16 and program throughout the Code.